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# State Bank of Bird Island

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Bird Island, Minnesota 55310-0430  
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October 25, 2005

Mr. John F. Carter  
Regional Director  
Federal Deposit Insurance Corporation  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, CA 95105

**Re: Comments Regarding FDIC Application #20051977; Wal-Mart Application for Insurance and Industrial Bank Charter**

Dear Mr. Carter:

As an independent banker, I write today to oppose the application of Wal-Mart Stores, Inc. for a Utah industrial bank or industrial loan company (ILC) charter and federal deposit insurance. Like other community bankers, I strongly believe that allowing Wal-Mart to own a bank charter and potentially open branches in its network of stores would harm many of the communities we work hard to serve, our institutions, place unnecessary risk on our nation's economy and the FDIC.

I do not believe Wal-Mart will, as it has stated, operate a limited ILC charter in Utah. The stated motive behind this application stands in stark contrast to Wal-Mart's history and philosophy. Wal-Mart has been trying to get into the banking business for years. This is just one more attempt.

Community bankers from rural America know firsthand how Wal-Mart destabilizes a community. The small Main Street businesses that independent bankers work hard to support are often driven out of business by the large corporate chains, and the economic consequences are dire for these communities. Money that used to stay in the community now gets shipped out. Wal-Mart's latest endeavor could do the same thing to community banks. It's bad enough to lose small businesses. Losing community bankers would create a ripple effect with devastating consequences to communities across the country, especially to the dwindling number of small businesses and farmers who depend on their community banker.

Mixing banking and commerce is bad public policy that would create serious conflicts of interest and distort credit decisions. Impartial allocation of credit is a key to our financial system. Would a Wal-Mart bank offer credit at reasonable terms to its competitors? Would it provide a loan to the small business down the street competing with them? Would it provide agricultural loans, particularly during a tough season?

To enable the largest company in the world to own a bank creates a dangerous concentration of economic power and resources. What if Enron or WorldCom had owned a bank? Is the FDIC ready to take on this enormous liability risk?

Again, as an independent community banker, I oppose Wal-Mart's application for a Utah industrial bank or industrial loan company charter and federal deposit insurance.

Sincerely,

Sharon L. Marks  
Loan Officer/Cashier